

# **NORTH CAROLINA SENIOR TAR HEEL LEGISLATURE 2009 FACT SHEET**

## **ESTABLISH A CAP FOR SENIOR CITIZENS ON THE INCREASE IN THE ASSESSED VALUE OF PROPERTY**

**The Senior Tar Heel Legislature recommends establishing a cap on the increase in the assessed value of property determined during revaluations for persons over the age of 65, eligible for the Homestead Exemption.**

According to the 2000 Census, there are 969,048 persons in North Carolina who are 65 years of age or older. It is estimated that 12.7 % of our older population has an income at or below the poverty level. The significant increase in property values in recent years has been reflected in property assessments, which are determined during required revaluations in counties throughout North Carolina. This significant increase in assessed value has resulted in a much greater property tax burden; and this financial burden threatens the ability of low-income homeowners, over age sixty-five, to be able to retain ownership of their homes.

An option available to state and county governments would be to limit or freeze increases in property assessment values, which would protect homeowners who are experiencing rapidly increasing real estate values. Homes could be reassessed when property ownership changes or if the property is enlarged or renovated.

Currently, North Carolina has a Homestead Property Tax Exemption that exempts from property taxes the greater of \$25,000 or 50% of the assessed value of the permanent residence. Homeowner and spouse must have a combined income of \$25,000 (2008) maximum, which is adjusted annually based on cost-of-living, and be age 65 or over, or totally and permanently disabled. The Homestead Property Tax Exemption reduces the property tax burden on older homeowners with moderate or low incomes.